

**WORKING PAPER No 9\***  
**2 June 2005**

**ENGLISH ONLY**

**STATISTICAL COMMISSION and  
ECONOMIC COMMISSION FOR  
EUROPE**

**STATISTICAL OFFICE OF THE  
EUROPEAN COMMUNITIES  
(EUROSTAT)**

**CONFERENCE OF EUROPEAN  
STATISTICIANS**

**FOOD AND AGRICULTURAL  
ORGANISATION (FAO)**

**Joint UNECE/EUROSTAT/FAO/OECD  
Meeting on Food and Agricultural Statistics  
in Europe**  
**(Rome, 29 June-1 July 2005)**

**ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT  
(OECD)**

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**OF THE HANDBOOK ON RURAL HOUSEHOLD, LIVELIHOOD  
AND WELL-BEING: STATISTICS ON RURAL DEVELOPMENT  
AND AGRICULTURE HOUSEHOLD INCOME.**

Paper submitted by the Task Force  
on Statistics for Rural Development and Agriculture Household Income\*\*

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\* This document replaces document No 9.

\*\* The Task Force is comprised of experts from the following national agencies, universities and international organizations: Statistics Canada, Hungarian Central Statistical Office, National Statistical Institute of Italy (ISTAT), Swedish Board of Agriculture, Dept. for Environment, Food and Rural Affairs (United Kingdom), Economic Research Service (United States), Imperial College (United Kingdom), University of Verona (Italy), University of Pescara (Italy), Food and Agriculture Organization of United Nations (FAO), World Bank, Statistical Office of the European Communities (Eurostat), Organization for Economic Co-operation and Development (OECD) and the United Nations Economic Commission for Europe (UNECE).

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Expert Group on Household Income Statistics – The Canberra Group: Final Report and Recommendations

United Nations Millennium Development Goals





## PREFACE

The Inter-secretariat Working Group on Agriculture and Rural Indicators (IWG.AgRI) has as its participating organisations the United Nations Economic Commission for Europe (UNECE), the Organisation for Economic Cooperation and Development (OECD), the Food and Agriculture Organization of the United Nations (FAO), and the Statistical Office of the European Community (Eurostat). In 2003 the IWG.AgRI agreed to set up a Task Force on Rural Development Statistics and Agriculture Household Income with a membership consisting of experts from the IWG.AgRI, the World Bank, national statistical offices known to be active in these areas, and academia. This initiative was endorsed by the Joint UNECE/Eurostat/FAO/OECD Meeting on Food and Agriculture Statistics which took place in Geneva in July 2003. Subsequently, it was approved by the UN Conference of European Statisticians (CES).

The Task Force members have collaborated since 2003 on drafting the present Handbook. The sponsoring organizations recognize the usefulness of the principles and recommendations contained in the Handbook as good practice for agencies when compiling their statistics on rural development and agriculture household income. Because of practical and resource constraints some of the current recommendations may not be immediately attainable by all statistical offices. However, they should serve as guidelines or targets for agencies as they revise their statistics and improve their programmes for statistics on rural development and agriculture household income.

The indicators covered in the Handbook are intended for the benefit of various user groups concerned with rural development and the evolving nature of the agricultural industry. In particular they will be of interest to those in the public sector responsible for setting targets and monitoring policies related to:

- ◆ the standard of living and well-being of rural households *vis-à-vis* urban and all households, and
- ◆ the standard of living and well-being of agricultural households *vis-à-vis* households of other socio-professional categories.

Income measures cover aspects of the standard of living that are of particular importance to agricultural and rural development policy, and often the problems experienced are articulated in terms of incomes (such as the low incomes that can lead to economic and social exclusion for some rural households, or the particular problems of income instability and low incomes that are associated with particular sizes and types of farm). Wealth also is a dimension that should not be neglected, as low current incomes are often found combined with substantial new worth. These indicators may also play an important role in the current round of multilateral trade negotiations (i.e. the WTO's Doha Development Agenda) concerning key objectives for agriculture.

To serve their purpose, often the indicators should relate to not only levels and ratios but also to various measures of dispersion. Frequently they should also be

expressed in time series in order to provide information about the dynamics of the phenomenon under study.

Choosing and calculating indicators cannot be reduced to a simple set of rules or standard set of procedures that can be mechanically followed in all circumstances. While there are certain general principles that may be universally applicable, the procedures followed in practice, whether they concern the collection or processing of the primary statistics or the methods of processing, have to take particular circumstances into account. These include the main use of the indicators, the nature of the economic and social structure within the country and the resources and capacities available in the statistical office. Statistical offices often have to make choices. The Handbook explains the underlying economic and statistical concepts and principles needed to enable statistical offices to make their choices in efficient and cost effective ways and to be aware of the implications of their decisions.

The Handbook draws upon the experience of many statistical offices throughout the world. The procedures they use are not static. They continue to evolve and improve in response to several factors. Academic research continually improves and refines the economic and statistical theory underpinning rural indicators and strengthens it. New technology can also affect the methods used to collect rural statistics and transmit them to the central statistical offices. The present Handbook is therefore intended to be a “*web-based living document*” which will be continuously updated and amended. Some of the chapters therefore rather have the character of work-in-progress to which additional information will be continuously added. This is certainly the case for the chapters dealing with case studies of country experiences.

Some international standards for economic statistics have evolved primarily in order to enable internationally comparable statistics to be compiled. Harmonisation of statistical methodologies is of particular importance in groups of countries that operate common policies, such as the EU. However, individual countries also stand to benefit from international experience and the development of good practice. The indicators on rural development and agriculture household income described in this Handbook draw upon the collective expertise accumulated in many countries. All countries can benefit by having easy access to this form of social capital.

#### *Designation of the Task Force as the Wye Group*

In 2002, the PennState University (United States), the Economic Research Service of the U.S. Department of Agriculture, and Department of Agriculture Sciences of the Imperial College London (Wye Campus), organized a Workshop in Wye (Kent, UK) entitled: *Workshop on the Farm Household-Firm Unit: Its importance in agriculture and implications for statistics*. The IWG. AgRI participated actively in the Workshop. The issues raised had previously been recognized in a number of UNECE/Eurostat/FAO/OECD meetings on agriculture statistics as well as in the Second International Conference on Agriculture Statistics (the CAESAR Conference in Rome 2001) as having a very high priority. All concerned parties agreed on the need to bring knowledge together and produce the present Handbook.

The IWG.AgRI Task Force that was created in 2003 met five times: Washington (October 2003), Rome (October 2003), Paris (November 2003), Verona (July 2004), Wye (April 2005) and Rome (June 2005). In view of the catalyzing effect that the 2002 Wye Workshop had and the important progress made at the 2005 Task Force meeting in Wye, the Task Force agreed to name the Handbook

*The Wye Group:*

*Handbook on Rural Household, Livelihood and Well-Being:*

*Statistics on Rural development and Agriculture Household Income.*

All members of the Task Force have participated in their individual capacity as experts without necessarily committing their employers or organizations. The Handbook is published on the responsibility of the secretariats of the participating organizations of IWG.AgRI.

The designations employed and the presentations of the material in this publication do not imply the expression of any opinion on the part of the secretariats of the participating organizations of the IWG.AgRI concerning the legal status of any country, territory, city or area, or of its authorities, or concerning delimitation of its frontier or boundaries.

## ACKNOWLEDGEMENTS

The IWG.AgRI wishes to acknowledge the major contributions made by all the experts of the Task Force in the drafting and production of the Handbook. The experts who participated in the Task Force are listed in Annex I. Particular thanks go to Professor Berkeley Hill who not only acted as the main editor of the Handbook but also drafted several of its chapters. The table below indicates the major authors of the chapters, bearing in mind that all Task Force members have contributed with in-depth comments and amendments to all the chapters.

The UNECE Statistical Division acted as the secretariat for the work of the Handbook.

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## **Annex 1**

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